

JUL 28 1966

Approved For Release 2005/01/12 : CIA-RDP88-01315R000400280022-7

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Economist Named New Head of Rand Corporation

By PETER BART

Special to The New York Times

SANTA MONICA, Calif., July 27—Henry S. Rowen, a 41-year-old economist, was appointed today as president of the Rand Corporation, the secret research organization that concentrates on defense planning. The appointment was announced by Frank M. Stanton, chairman of Rand's Board of Trustees, who is president of the Columbia Broadcasting System.

Mr. Rowen has served as an assistant director of the Bureau of the Budget for the last year. He previously spent four years as Deputy Assistant Secretary of Defense for International Security Affairs. He was on the Rand staff from 1950 to 1961.

Mr. Rowen, a tall, angular man with a scholarly appearance, will assume his new post Jan. 1 upon the retirement of Franklin R. Collbohm, president since Rand's inception 20 years ago.

Established as a long-term research project under the aegis

of the Air Force, the nonprofit organization has played an influential role in some of this nation's most important international decisions. Because of Boston, was graduated from secret material, Rand and its nearly 1,200 staff members have remained shrouded in mystery.

Mr. Rowen, who was born in Boston, was graduated from the Massachusetts Institute of Technology in 1949 as an economist and industrial engineer.

He has worked at Rand on a long-term study of the nation's overseas military bases. The study, financed by the Air Force, demonstrated that Soviet short-range missiles could destroy America's overseas Strategic Air Command bases, a finding that resulted in the closing down of all these bases at a saving of \$1-billion.

Mr. Rowen later worked extensively on the Rand-developed system of program budgeting, which proved so efficient that President Johnson recently ordered its adoption by most Federal agencies. Under this

system, budget items from various agencies are grouped in terms of missions and goals, and budget planning is projected on a five-year basis.

The appointee left Rand in 1955 to study economics at Oxford University. He joined the Defense Department in 1961, specializing in problems relating to the North Atlantic Treaty Organization. He is credited with having contributed to the establishment of the Defense Plans Working Group, which has sought to rejuvenate NATO's long-term planning in dealing with non-nuclear threats in Europe.

The appointment comes at a time when there is widespread speculation about the future course of Rand. Some staff members believe the company should channel more of its research energies on social issues and welfare problems.

The Air Force, Defense Department and National Aeronautics and Space Administration still account for 93 per cent of Rand's research con-

tracts, which total \$23-million annually.

Mr. Rowen's position on this question is not known, though in his Bureau of the Budget position he has had to deal with nonmilitary affairs.

There also appears to be a general governmental impatience with the entire concept of basic research that Rand helped pioneer.